



Valbridge
PROPERTY ADVISORS

3Q 2023
MARKET ANALYSIS
QUICK SERVE RESTAURANTS



VALBRIDGE PROPERTY ADVISORS | TAMPA

Ryan Zink, MAI
Senior Managing Director
rzink@valbridge.com
321.228.6488
valbridge.com

The following quick-service restaurant (QSR) market analysis provides a summary of the national net lease QSR market. The data used to produce this analysis was gathered from Costar, The Boulder Group, QSR Magazine, Franchise Times, IBISWorld, and Valbridge Property Advisors' proprietary database.

TOP 50 BRANDS

FSR Magazine ranks the top 50 FSR brands based on market share and revenue and discusses each brand's recent and projected growth. The top 50 brands according to the report are presented in the following table.

1. McDonald's	11. Sonic	21. Papa John's	31. Carl's Jr.	41. McAlister's
2. Starbucks	12. Panera Bread	22. Whataburger	32. Bojangles	42. QDOBA
3. Chick-fil-A	13. Pizza Hut	23. Culver's	33. In-N-Out Burger	43. Papa Murphy's
4. Taco Bell	14. KFC	24. Raising Cane's	34. Firehouse Subs	44. Shake Shack
5. Wendy's	15. Popeyes	25. Jimmy John's	35. Krispy Kreme	45. Church's Chicken
6. Dunkin'	16. Dairy Queen	26. Wingstop	36. El Pollo Loco	46. Freddy's
7. Burger King	17. Arby's	27. Zaxby's	37. Tropical Smoothie Cafe	47. Tim Horton's
8. Subway	18. Panda Express	28. Jersey Mike's	38. Del Taco	48. Baskin-Robbins
9. Domino's	19. Little Caesars	29. Hardee's	39. Checkers/Rally's	49. Moe's Southwest Grill
10. Chipotle	20. Jack In The Box	30. Five Guys	40. Marco's Pizza	50. White Castle

Source: FSR Magazine

TOP 10 FRANCHISE OPERATORS (Franchise Times Magazine, August 2022)

1. FLYNN RESTAURANT GROUP

San Francisco, CA
 \$3,700,000,000
 937 Pizza Hut, 441 Applebee's, 368 Arby's,
 285 Taco Bell, 192 Wendy's, 130 Panera

2. DHANANI GROUP

Sugar Land, TX
 \$1,725,000,000
 506 Burger King, 385 Pizza Hut, 370 Popeyes,
 41 La Madeleine

3. CARROLS RESTAURANT GROUP

Syracuse, NY
 \$1,652,370,000
 1,026 Burger King, 65 Popeyes

4. KBP BRANDS

Overland Park, KS
 \$1,390,000,000
 705 KFC, 120 Arby's, 104 Yum! Multi, 76 Taco Bell

5. SUN HOLDINGS

Dallas, TX
 \$1,100,000,000
 200 Arby's, 170 Popeyes, 165 Burger King,
 131 Applebee's, 70 Papa John's, 65 McAlister's
 Deli, 39 IHOP

6. HAZA FOODS

Sugar Land, TX
 \$850,000,000
 385 Wendy's, 136 Taco Bell

7. SUMMIT RESTAURANT GROUP

Richardson, TX
 \$747,609,000
 271 IHOP, 112 Applebee's

8. PACIFIC BELLS

Vancouver, WA
 \$680,000,000
 256 Taco Bell, 66 Buffalo Wild Wings

9. WKS RESTAURANT GROUP

Cypress, CA
 \$670,222,000
 140 Wendy's, 122 Denny's, 68 El Pollo Loco,
 40 Krispy Kreme

10. YADAV ENTERPRISES

Freemont, CA
 \$666,400,000
 228 Jack In The Box, 105 Denny's, 49 TGI Fridays

3Q 2023 AVERAGE REAL ESTATE SALES INDICATIONS

Brand	# Sales	Sale Price	Year Built	Bldg SF	Land Size SF	LTB Ratio	Sale Price \$PSF	Annual Rent	Rent \$ PSF	Cap Rate
Arby's	11	\$1,921,364	1997	2,784 SF	34,606 SF	12.90	\$706.37	\$98,493	\$36.33	5.20%
Baskin-Robbins	1	\$1,193,010	1983	2,100 SF	14,035 SF	6.68	\$568.10	\$104,985	\$49.99	8.80%
Bojangles'	7	\$2,584,786	2005	3,352 SF	53,708 SF	15.99	\$798.20	\$148,305	\$45.22	5.76%
Burger King	15	\$1,901,800	2002	3,248 SF	44,929 SF	14.34	\$607.29	\$107,993	\$34.59	5.78%
Captain D's	0	-	-	-	-	-	-	-	-	-
Checkers/Rally's	3	\$1,391,667	2006	924 SF	19,782 SF	23.00	\$1,611.81	\$78,275	\$89.69	5.67%
Chick-fil-A	11	\$3,792,032	2015	4,531 SF	62,165 SF	13.66	\$865.30	\$154,380	\$36.83	4.20%
Chipotle	9	\$3,182,074	2021	3,213 SF	44,722 SF	14.27	\$1,044.19	\$155,662	\$50.86	4.96%
Church's Chicken	2	\$1,104,000	2005	2,101 SF	23,111 SF	12.23	\$592.42	\$64,958	\$35.58	5.78%
Culver's	1	\$3,914,640	2015	3,200 SF	59,677 SF	18.65	\$1,223.33	\$244,665	\$76.46	6.25%
Dairy Queen	1	\$1,265,883	2004	3,851 SF	46,609 SF	12.10	\$328.72	\$75,953	\$19.72	6.00%
Del Taco	1	\$2,150,000	2007	2,212 SF	25,700 SF	11.62	\$971.97	\$156,950	\$70.95	7.30%
Dunkin Donuts	9	\$1,767,707	1999	2,083 SF	30,624 SF	15.13	\$859.60	\$95,082	\$46.21	5.48%
Hardee's	3	\$1,749,251	2004	3,373 SF	53,837 SF	16.20	\$528.58	\$105,357	\$31.84	6.01%
Jack in the Box	9	\$2,612,106	1994	2,945 SF	31,104 SF	11.06	\$908.35	\$122,759	\$43.26	4.76%
KFC	14	\$1,573,495	1997	2,456 SF	29,691 SF	12.76	\$670.23	\$87,665	\$36.75	5.74%
Krispy Kreme	2	\$1,360,750	1978	2,328 SF	23,305 SF	10.27	\$608.06	\$106,446	\$48.82	7.79%
Krystal	2	\$1,092,855	1990	1,770 SF	27,490 SF	19.38	\$708.72	\$60,286	\$39.16	5.52%
Long John Silver's	1	\$1,493,618	2003	2,843 SF	46,174 SF	16.24	\$525.37	\$82,149	\$28.90	5.50%
McDonald's	15	\$2,269,052	2008	4,285 SF	55,156 SF	12.40	\$541.53	\$87,460	\$20.86	4.16%
Panera Bread	3	\$3,464,333	2008	5,165 SF	53,143 SF	10.36	\$673.15	\$171,505	\$33.07	4.85%
PDQ	0	-	-	-	-	-	-	-	-	-
Pollo Tropical	0	-	-	-	-	-	-	-	-	-
Popeyes	15	\$2,535,148	2010	2,625 SF	38,439 SF	14.91	\$971.65	\$133,760	\$51.09	5.31%
Sonic Drive-In	12	\$1,826,360	1998	1,563 SF	40,486 SF	26.64	\$1,214.15	\$100,461	\$66.78	5.61%
Starbucks	34	\$2,638,522	2017	2,349 SF	46,760 SF	20.62	\$1,154.66	\$131,847	\$57.94	5.12%
Steak 'n Shake	2	\$2,810,877	2008	3,492 SF	51,619 SF	14.44	\$810.43	\$182,007	\$52.46	6.48%
Taco Bell	32	\$2,152,182	2016	2,381 SF	39,201 SF	17.01	\$916.21	\$105,882	\$45.20	4.93%
Wendy's	12	\$2,365,110	1995	3,088 SF	41,553 SF	13.90	\$769.60	\$128,043	\$41.77	5.54%
Zaxby's	1	\$2,000,000	1979	3,500 SF	50,094 SF	14.31	\$571.43	\$120,000	\$34.29	6.00%
Total	228									
Indications										
Minimum - By Brand	-	\$1,092,855	1978	924 SF	14,035 SF	6.68	\$328.72	\$60,286	\$19.72	4.16%
Average - By Brand	-	\$2,152,319	2002	2,880 SF	40,286 SF	14.85	\$805.53	\$118,938	\$45.36	5.72%
Median - By Brand	-	\$2,000,000	2004	2,843 SF	41,553 SF	14.31	\$769.60	\$106,446	\$43.26	5.61%
Maximum - By Brand	-	\$3,914,640	2021	5,165 SF	62,165 SF	26.64	\$1,611.81	\$244,665	\$89.69	8.80%

Source: CoStar & Valbridge Research

NATIONAL QSR REAL ESTATE CAPITALIZATION RATES - 5-YEAR HISTORY

Brand	2018	2019	2020	2021	2022	3Q 2023
Arby's	6.24%	5.99%	6.08%	5.45%	4.98%	5.20%
Baskin Robbins	6.01%	6.11%	5.41%	6.07%	4.93%	8.80%
Bojangles'	6.29%	6.14%	6.16%	5.86%	5.65%	5.76%
Burger King	6.01%	5.78%	5.67%	5.43%	4.98%	5.78%
Captain D's	6.73%	7.55%	7.93%	6.44%	6.08%	-
Checkers/Rally's	7.37%	6.37%	8.71%	6.01%	5.37%	5.67%
Chick-fil-A	4.34%	4.30%	4.13%	4.31%	3.65%	4.20%
Chipotle	5.71%	5.35%	5.99%	4.78%	4.47%	4.96%
Church's Chicken	6.75%	6.16%	7.37%	6.51%	5.51%	5.78%
Culver's	6.13%	7.03%	5.88%	7.65%	4.63%	6.25%
Dairy Queen	6.37%	6.04%	6.54%	6.31%	5.31%	6.00%
Del Taco	5.21%	4.95%	5.24%	4.46%	4.59%	7.30%
Dunkin' Donuts	5.80%	5.53%	5.92%	5.90%	5.05%	5.48%
Hardee's	6.06%	6.21%	6.66%	6.13%	5.43%	6.01%
Jack in the Box	5.45%	5.26%	5.57%	4.79%	4.49%	4.76%
KFC	5.68%	5.82%	5.68%	5.52%	4.71%	5.74%
Krispy Kreme	5.80%	5.29%	5.34%	5.70%	4.49%	7.79%
Krystal	6.36%	6.36%	7.27%	5.98%	5.68%	5.52%
Long John Silver's	6.34%	6.31%	5.58%	5.90%	5.23%	5.50%
McDonald's	5.07%	4.31%	4.33%	4.71%	3.72%	4.16%
Panera Bread	5.15%	5.17%	5.29%	5.35%	5.06%	4.85%
PDQ	5.43%	6.25%	6.10%	5.68%	5.00%	-
Pollo Tropical	5.06%	4.75%	4.89%	5.22%	-	-
Popeyes Louisiana Kitchen	5.69%	5.71%	5.97%	5.30%	4.80%	5.31%
Sonic Drive-In	6.49%	6.53%	6.86%	5.85%	5.31%	5.61%
Starbucks	5.01%	5.22%	5.10%	4.84%	4.74%	5.12%
Steak 'n Shake	6.29%	7.09%	7.65%	6.87%	6.03%	6.48%
Taco Bell	5.60%	5.61%	5.44%	5.05%	4.67%	4.93%
Wendy's	5.66%	5.81%	5.54%	5.15%	4.79%	5.54%
Zaxby's	6.94%	7.52%	7.32%	6.89%	5.65%	6.00%
Average	5.90%	5.88%	6.05%	5.67%	5.00%	5.72%

Source: CoStar & Valbridge Research



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Knowing the true value of something is more important than ever, but it can be difficult to discern—especially in today’s highly scrutinized regulatory environment. The experts at Valbridge Property Advisors are here to help.

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VALBRIDGE PROPERTY ADVISORS | TAMPA



Ryan Zink, MAI

Senior Managing Director
rzink@valbridge.com
321.228.6488



Tyler Gin

Valbridge Scholar Intern
tgin@valbridge.com

www.valbridge.com